

Members

Sen. Connie Lawson, Chairperson
Sen. Rose Antich
Rep. William Crawford
Rep. Mary Kay Budak
Marcia Hearn-Lindsey
Carol Johnson
Nathan Samuel
Ellen Clippinger
Cheryl Seelig
Sven Schumacher
Kimberly Tracy Armstrong
Judith Ganser
John Boyce
Mara Snyder
Judy Nevins
Sharon Pierce



BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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MEETING MINUTES¹

Meeting Date: September 5, 2002
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Connie Lawson, Chairperson; Rep. William Crawford; Rep. Mary Kay Budak; Marcia Hearn-Lindsey; Carol Johnson; Nathan Samuel; Ellen Clippinger; Sven Schumacher; John Boyce; Mara Snyder; Sharon Pierce

Members Absent: Sen. Rose Antich; Cheryl Seelig; Kimberly Tracy Armstrong; Judith Ganser; Judy Nevins

Sen. Lawson called the meeting to order at 10:40 a.m. The members introduced themselves and Sen. Lawson read the statutory charge of the Board.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Effect of Changes in Temporary Aid to Needy Families (TANF) Fund Administration on the Child Care and Development Fund Voucher Program (CCDF)

Beth Eiler, Deputy Director, Bureau of Child Development, Family and Social Services Administration (FSSA), provided a handout² summarizing the effect of TANF cuts that were proposed in July, 2002, on CCDF. She stated that the proposal caps eligibility at 127% of the federal poverty level (fpl) (rather than the current 143%) and provides for sliding scale eligibility to 100% of fpl, which would result in post-cut ineligibility of 6713 children who are current voucher recipients. Ms. Eiler noted a \$10 million bonus received from the federal government for positive outcomes achieved in Indiana's IMPACT job training program. FSSA proposes to use this money to lessen the effects of the proposed cuts on child care. She discussed initiatives to transition families from dependence on CCDF funding.

In response to questions from Sen. Lawson and Rep. Budak, Ms. Eiler: (a) agreed to provide to the Board a list of current public/private and other collaborations aimed at accomodating the child care needs of low income families; (b) explained that CCDF money is currently allocated to each county according to estimated need in the county, and that with the central reimbursement office it will be easier to move money that is not utilized in one county to other counties that have actual need that is greater than the estimated need; and (c) stated that 36 counties (70% of CCDF claims) will be on the central reimbursement office system by October 1, 2002.

Candes Shelton, Children's Coalition for Indiana, discussed the proposed \$21 million child care funding cut and decrease in eligibility cap to 127%. She stated that under certain circumstances, people up to 181% of fpl could be eligible for CCDF, so the number of children who will lose CCDF funding is actually higher than 6713. She provided a hypothetical case of a mother with two children at 135% of fpl for whom a lack of CCDF funding would result in the mother having a total of \$235 to \$517 per month after payment for child care at a licensed child care center. She stressed the additional potential results of lower quality child care, lost work time, lost reliability, and lost employment. Ms. Shelton discussed the 11,629 children who are currently awaiting CCDF funding who are at less than 127% of fpl and the fact that the CCDF slots won't necessarily be filled by these children. She acknowledged the difficulty of resolving the problem, but suggested legislation providing tax incentives for businesses that provide for child care for employees' families.

In response to questions from Sen. Lawson, Rep. Budak, Rep. Crawford, Ms. Clippinger, and Ms. Pierce, Ms. Shelton stated that: (a) the reduction of voucher funding will potentially drive people back into Medicaid and other publicly funded human services; (b) it is difficult to educate businesses on the impact of the proposed cuts on the business (less funding for child care resulting in fewer potential employees to perform the work of the business), but that employee loyalty results from employers assisting with child care; (c) child protection is a concern with unregulated care; and (d) Indiana ranks low among the other states in providing state/local funding for child care.

Rep. Crawford requested information concerning other states' use of state and local money for child care.

Carol Spencer, Hoosier Courts Cooperative Nursery School, Indiana University Child Care Centers, stated that her center at IU serves IU students, faculty and staff. She stated that

²Attachment 1.

the new eligibility levels will: (a) cause her to lose three of the four families that are currently clients receiving voucher funding; and (b) cause students to drop out of college due to lack of funds for child care.

In response to questions from Sen. Lawson, Ms. Eiler stated that the new sliding fee scale will be effective October 1, 2002, and that some families may be eligible for voucher funding on a sliding scale basis. Ms. Spencer complained of little information being provided by FSSA to providers and families concerning the October 1 changes. Ms. Eiler responded that the changes are still proposed changes so information has not been provided to providers and families yet. In response to questions from Rep. Crawford, Ms. Eiler stated that public comment is considered for policy changes such as the proposed voucher program changes and that the comments received to date are being considered in these proposed changes. In response to questions from Rep. Budak, Ms. Spencer stated that conflicting information has been given in different areas of the state concerning the voucher program, including the requirements of the minimum standards that apply to CCDF providers.

Effect of Additional CCDF Minimum Standards

Ms. Eiler provided a handout³ and discussed the 14 total minimum standards applying to providers receiving payments under CCDF, including the 6 new standards enacted during the 2002 legislative session. She stated that providers that received CCDF payments prior to enactment of the standards have not been required to meet the standards to date, but that the minimum standards will be applied to new providers beginning October 1, 2002. She explained that FSSA will keep statistics concerning providers that are licensed/registered and choose not to meet minimum standards.

Ms. Shelton requested clarification of the requirements of the minimum standards, including specification of who needs to be trained in CPR, and to whom and how often drug testing requirements apply.

Ms. Spencer stated that drug testing costs \$39 per test. She explained that she has full time and part time employees and volunteers and is not certain which of these people must be drug tested, or how frequently. She stated that the cost of testing all employees and volunteers is very high and that it may not be cost effective to remain a CCDF provider for only 1-4 families. Ms. Pierce suggested potential use of tobacco settlement funds for assistance in meeting the costs of the minimum standards.

Linda Henry, Campus View Child Care Center, Bloomington, stated that the goal of the minimum standards is to improve child care, but that certification of providers, improved child/staff ratios, etc. will do more to improve care. She stated that parent fees are too high to ask them to pay more to pay the cost of compliance with minimum standards.

³Attachment 2.

Report on New Fire Marshal Rules Related to Child Care

Ms. Snyder noted that there are no new Fire Marshal rules related to child care. She discussed current fire and building safety laws in Indiana, explaining that current laws apply to classifications of structures where child care is provided, and that the Fire Marshal's office is simply studying the issue to determine how many of these structures may not be in compliance with current laws. She explained that there is now an initiative to determine whether and ensure that such structures are in compliance with fire and building safety laws, but that it remains to be seen whether a problem that would require new rules exists. She suggested that individuals that are concerned about this issue contact her at her office. Rep. Budak noted that it appears that there is misinterpretation by local fire departments of information from the Fire Marshal's office.

Open Discussion on Agenda Items

Kathryn Azhar, licensed day care provider, stressed the need to obtain value for money spent on compliance with minimum standards, and questioned the rate of positive drug tests compared to the expense incurred in having the drug testing performed.

Beryl Cohen, Indiana Coalition on Housing and Homeless Issues, provided a handout⁴ including information on the proposed child care funding cuts, funding applied to identified basic needs, tax measures, and application of copayments.

Patricia Cole, Healthy Child Care, Indiana, questioned the frequency of drug testing and why drug testing requirements would apply only for providers receiving voucher payments, rather than all child care providers. She suggested the use of Caring for Our Children standards language for all providers.

Sr. Catherine Marie, St. Vincent's Daycare, Evansville, commented that service to low income, single parent families results in a majority of funding coming from TANF/vouchers.

Rep. Crawford requested that Ms. Eiler provide information on the number of children on the voucher waiting list in each county, the impact the proposed changes will have on the waiting list, how long children are on the waiting list, and what families do concerning child care while they are on the waiting list.

Ms. Pierce requested that representatives from state Workforce Development and the Indiana Chamber of Commerce attend a Board meeting to testify concerning public/private partnership and revenue enhancement opportunities with regard to child care.

Brandi Burns, Learning Universe, commented that the October 1, 2002, start date for the proposed changes is frightening because they will have a major impact on the lives of people affected in a very short period of time and many people who will be affected are unaware of the impending changes. She stated that definitive information on what is needed with regard to drug testing is needed by providers, and that more information and consistency of information from FSSA is needed.

Sen. Lawson informed those present that the next meeting of the Board will occur on September 26, 2002, at 10:30 am. She stated that the agenda will include continued

⁴Attachment 3

discussion concerning the child care funding issue, and that other agenda items will be announced later.

Ms. Snyder made an announcement concerning the preschool Learn Not to Burn fire safety program provided by the Fire Marshal's office for children from 2 1/2 years of age to 5 years of age.

With no further business to discuss, the meeting was adjourned at approximately 12:15 p.m.